

City Council's
Adopted Budget

Expenditure Estimates
Section

HOW TO READ THE EXPENDITURE SECTION

The format of the Mayor's 2005-2006 Adopted Budget is different from that of previous years. The methodology that was used to prepare and present the expenditures changed this year to reflect the Hartford Budget Model. The budget process started at zero, and baselines were determined for each department by a combination of target numbers and the cost of their legal mandates. From there, departments were required to justify their requested expenditure amounts by program and activity. Each department's Program Activities Map contains a description of the programs and activities to be carried out. Departments not only submitted total general fund costs for each activity but also ranked their activities, with those that met a required mandate or one of the Mayor's Goals being ranked highest. Departments were also required to submit Decision Packages for any activity that, by ranking, did not fall within their baseline. It is here that departments could make a persuasive case to justify the activity. All activities were then ranked citywide to allow for their evaluation in relation to each other. The Department of Management and Budget, Chief Operating Officer and the Mayor then reviewed and analyzed all activities and determined the level of resources to be allocated to each.

On each department page, the new format displays a **Department Budget Summary** with two sections. The Division section is the historical data from the years previous to the new format. The Program section is a result of the new budget methodology. Departments looked at their operations, categorized them by programs consisting of activities and budgeted cost by activity. The section also tells the reader how much money was spent in FY 2003-2004 under the heading "Actual", how much money was legally appropriated for FY 2004-2005 under the heading "Adopted", and an estimate of how much was spent during FY 2004-2005 under the heading "Revised". The Council's adopted spending levels for fiscal year 2005-2006 are under the heading "Adopted".

Department Organization by Program and Program Percentage of Total Budget illustrates the organization structure of the department and the cost of each program as a percentage of the Adopted Budget.

Mission Statement clarifies the departments' responsibility.

Significant Features illustrate the expenditure increases or decreases from the 2004-2005 Adopted Budget. They also identify the cost of legally mandated activities as a percentage of the Adopted Budget.

Department Budget Summary totals information is divided into two categories: General Fund and Other Funds.

- **Fund Total** represents total expenditures.
- **Positions** represents total authorized positions for each fund.
- **Revenue** provides information on total non-tax revenue funds for each fund received by the department.
- **Fringe Benefits Cost** is 39.78% for each employee within a fund. It is calculated using the payroll base rate of 22.41%, the pension rate, determined by the actuary of 9.72%, and FICA of 7.65%, excluding sworn Police and Fire personnel.

Budget Highlights documents the accomplishments of a department during 2004-2005 and intended activity for 2005-2006.

Program and Program Activities summarizes information at the program level and explains activities included in each program. Specifically, the goal of each program and each activity is defined, whether or not the activity is legally mandated or meets one the Mayor's goals is indicated, as is the cost of the each activity and a total program cost.

Key Performance Measures include an illustrative report of actual, estimated and projected data. In FY 2004-2005, departments began tracking performance. The measures that each department determined to be their "critical few" are included for each program.

Department Charts and Graphs track one or more significant key performance measures.

A well designed and documented program performance budget will provide more information to the Mayor, the Court of Common Council and the public about City services that, in turn, will assist the Mayor and Council in the budget deliberation and approval process.

The addition of performance measures and performance targets to the budget process is a practice recommended by the Government Finance Officers association to aid in communicating the accomplishments planned with budget resources. Performance measurement, when linked to the budget and strategic planning process, can assess accomplishments on an organization-wide basis. When used in the long-term planning and goal setting process and linked to the entity's mission, vision, goals, and objectives, meaningful performance measurements assist government officials and citizens in identifying financial and program results, evaluating past resource decisions and facilitating qualitative improvements in future decisions regarding resource allocation and service delivery. When coupled with performance reporting, this practice enhances transparency in budgeting and accountability for results.

Alignment of Strategic Plan Objectives with Activities identifies the activities and actions that the department will carry out to meet its objectives that address Citywide strategies toward fulfilling the City's goals.